



CALFED
BAY-DELTA
PROGRAM

Financial Principles Discussion

Attachment 1

E - 0 0 3 9 2 9

E-003929

Points of Contention--Finance

- “Baseline Issue”
- Definition of Beneficiaries
- User funding for the ERP and other common programs
 - Crediting for other parallel efforts
- Storage/Conveyance funding

The Baseline Issue

- Understanding the history behind how we got here
- Legal Baseline
 - what are we building on?
- Should reparations be collected from users to level the playing field?
- Financial Baseline
 - appropriations and where does this money get spent?

Degree of User Funding for the Common Programs

- Timing
 - When do you start collecting?
- Crediting for other parallel efforts
 - CVPIA Restoration Fund
 - Category III funds
 - Other?
- Stability
 - Are User Fees the most stable form of funding?
- Purpose of User Fees
 - Mitigation?
 - Gap-filling?
 - Price Signals?

Storage and Conveyance

- Public funding
 - To what extent is public funding appropriate?
- Storage releases for the ERP
 - Who should pay for this portion of storage?
- Area of Origin Rights
 - How do you define a beneficiary?

CALFED Straw Proposal

- The Baseline Issue
 - Damages for past acts will not be collected
- Broad-based user fees will be used to help fund the ERP and other common programs
 - Credit will be given for parallel efforts
- Users must pay the full cost of new storage including interest.
 - Public funding will be used for planning only
 - Public funds spent on design will be reimbursed
 - Ecosystem portion funded by user fees

Possible Types of User Fees

- A broad-based charge on all water users in the Bay-Delta system
- End-user revenues from Salmon Stamps
- A surcharge on non-registered applicators of pesticides (i.e., home owners)
- Boat Launch fees

User Fees for ERP/Common Programs: Timing Options

- 1) Spend all funding we have now in Stage 1
– defer discussion of user fees for the future
- 2) Create a User Fee as an insurance policy
- 3) Develop a User Fee now for future use
- 4) Develop and implement a User Fee now